

DATE OF INFO.

**SUPPLEMENT TO
REPORT NO.**

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THIS IS UNEVALUATED INFORMATION

- 25X1 1. At present the Communists in Tsingtao are selecting a group of engineers to go to Changtien, between Tsinan and Weihsien, where the Japanese had constructed a large and productive aluminum plant. The engineers are to survey the plant and suggest possible uses for it.
- 25X1 2. Some of the engineers approached by the Communists have not accepted because they do not want to live on the same meagre scale as the Communist representatives who have come to Tsingtao. Although no pressure is being applied, some may be expected when the railway is completed, which is estimated to be by 5 July 1949.
- 25X1 3. The Communist ten year plan for electric power in Shantung is almost a duplicate of plans for rehabilitation and reconstruction after World War II made at Chungking by the Nationalists during the past war. The plan includes the installation of a 100,000 kilowatt generator -- with steam turbines working on 600 pounds pressure -- at Paoshan, from where Tsingtao and Tsinan are to be connected by 220,000 volt high tension lines.
- 25X1 4. Benefits of the plan can be seen in comparing the present price of People's Bank Notes (PBN) \$4 per kilowatt hour at Paoshan with PBN \$55 for the same quantity at Tsingtao.
- 25X1 5. At present Tsingtao has a 35,000 kilowatt unit operating and a 5,000 kilowatt unit soon to be placed in operation [redacted] Tsinan now has 20,000 kilowatts and Paoshan has 15,000.

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